
SENATE BILL No. 327

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-4; IC 6-1.1-31.7-3.5.

Synopsis: Property tax. Delays until 2006 implementation of annual adjustments of real property tax assessments. Amends the factors to be included in the annual adjustment rule of the department of local government finance. Allows assessors to employ professional appraisers to assist with annual adjustments. Allows use of the county reassessment fund for costs related to annual adjustments, and provides for adjustments to the levy for the fund for that purpose. Prohibits an appraiser or a technical advisor that serves a township or county from representing taxpayers.

Effective: Upon passage.

Hume, Kenley

January 6, 2005, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 327

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-4-4.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.5. (a) The
3 department of local government finance shall adopt rules establishing
4 a system for annually adjusting the assessed value of real property to
5 account for changes in value in those years since a general
6 reassessment of property last took effect.

7 (b) The system must be applied to adjust assessed values beginning
8 with the ~~2005~~ **2006** assessment date and each year thereafter that is not
9 a year in which a reassessment becomes effective.

10 (c) The ~~system must have rules adopted under subsection (a)~~
11 **must include** the following characteristics **in the system**:

12 (1) Promote uniform and equal assessment of real property within
13 and across classifications.

14 (2) ~~Apply all objectively verifiable factors used in mass valuation~~
15 **techniques that are reasonably expected to affect the value of real**
16 **property in Indiana.**

17 (3) ~~Prescribe as many adjustment percentages and whatever~~



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categories of percentages the department of local government finance finds necessary to achieve objectively verifiable updated just valuations of real property. An adjustment percentage for a particular classification may be positive or negative.

(2) Require that assessing officials:

(A) reevaluate the factors that affect value;

(B) express the interactions of those factors mathematically;

(C) use mass appraisal techniques to estimate updated property values within statistical measures of accuracy; and

(D) provide notice to taxpayers of an assessment increase that results from the application of annual adjustments.

~~(4)~~ (3) Prescribe procedures including computer software programs, that permit the application of the adjustment percentages in an efficient manner by assessing officials.

SECTION 2. IC 6-1.1-4-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) For purposes of making a general reassessment of real property **or annual adjustments under section 4.5 of this chapter**, any township assessor and any county assessor may employ:

(1) deputies;

(2) employees; and

(3) technical advisors who are:

(A) qualified to determine real property values;

(B) professional appraisers certified under 50 IAC 15; The assessor may employ a technical advisor and

(C) employed either on a full-time or a part-time basis, **subject to sections 18.5 and 19.5 of this chapter.**

(b) The county council of each county shall appropriate the funds necessary for the employment of deputies, employees, or technical advisors employed under subsection (a) of this section.

SECTION 3. IC 6-1.1-4-27.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27.5. (a) The auditor of each county shall establish a property reassessment fund. The county treasurer shall deposit all collections resulting from the property taxes that the county is required to levy under this section in the county's property reassessment fund.

(b) With respect to a general reassessment of real property that is to commence on July 1, 2007, and each fourth year thereafter, the county council of each county shall, for property taxes due in the year that the general reassessment is to commence and the three (3) years preceding

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that year, levy against all the taxable property in the county an amount equal to one-fourth (1/4) of the estimated cost of the general reassessment.

(c) The department of local government finance shall give to each county council notice, before January 1 in a year, of the tax levies required by this section for that year.

(d) The department of local government finance may raise or lower the property tax levy under this section for a year if the department determines it is appropriate because the estimated cost of:

~~(1) a general reassessment; including a general reassessment to be completed for the March 1, 2002, assessment date; or~~

(2) making annual adjustments under section 4.5 of this chapter;

has changed.

(e) If the county council determines that there is insufficient money in the county's reassessment fund to pay all expenses (as permitted under sections 28.5 and 32 of this chapter) relating to the general reassessment of real property commencing July 1, 2000, the county may, for the purpose of paying expenses (as permitted under sections 28.5 and 32 of this chapter) relating to the general reassessment commencing July 1, 2000, use money deposited in the fund from the tax levy under this section for 2000 or a later year.

(f) The county assessor or township assessor may petition the county fiscal body to increase the levy permitted under subsection (b) for the reassessment fund to pay for the costs of:

(1) a general reassessment;

(2) verification of sales disclosure forms forwarded to the county assessor under IC 6-1.1-5.5-3; or

(3) processing annual adjustments under section 4.5 of this chapter.

The assessor must document the needs and reasons for the increased funding.

(g) If the county fiscal body denies a petition under subsection (f), the assessor may appeal to the department of local government finance. The department of local government finance shall:

(1) hear the appeal; and

(2) determine whether the additional levy is necessary.

SECTION 4. IC 6-1.1-4-28.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28.5. (a) Money assigned to a property reassessment fund under section 27.5 of this chapter may be used only to pay the costs of:

(1) the general reassessment of real property, including the

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computerization of assessment records;

(2) payments to county assessors, members of property tax assessment boards of appeals, or assessing officials under IC 6-1.1-35.2;

(3) the development or updating of detailed soil survey data by the United States Department of Agriculture or its successor agency;

(4) the updating of plat books; ~~and~~

(5) payments for the salary of permanent staff or for the contractual services of temporary staff who are necessary to assist county assessors, members of a county property tax assessment board of appeals, and assessing officials;

(6) making annual adjustments under section 4.5 of this chapter; and

(7) the verification of sales disclosure forms forwarded to the county assessor under IC 6-1.1-5.5-3.

(b) All counties shall use modern, detailed soil maps in the general reassessment of agricultural land.

(c) The county treasurer of each county shall, in accordance with IC 5-13-9, invest any money accumulated in the property reassessment fund until the money is needed to pay general reassessment expenses. Any interest received from investment of the money shall be paid into the property reassessment fund.

(d) An appropriation under this section must be approved by the fiscal body of the county after the review and recommendation of the county assessor. However, in a county with an elected township assessor under IC 36-6-5-1 in every township, the county assessor does not review an appropriation under this section, and only the fiscal body must approve an appropriation under this section.

SECTION 5. IC 6-1.1-31.7-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.5. An individual or a firm that is:**

(1) an appraiser; or

(2) a technical advisor under IC 6-1.1-4;

may not serve as a tax representative of any taxpayer before a county property tax assessment board of appeals or the Indiana board of tax review.

SECTION 6. [EFFECTIVE UPON PASSAGE] **(a) Notwithstanding the amendments to IC 6-1.1-4-4.5 by this act, county assessors, township assessors, and township trustee assessors shall:**

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- 1 (1) verify sales disclosure forms forwarded to the county
2 assessor under IC 6-1.1-5.5-3; and
3 (2) proceed with other duties under 50 IAC 21;
4 so that the completion of those actions is accomplished on a
5 schedule that is as close as possible to the schedules for completion
6 of those actions under 50 IAC 21.
7 (b) This SECTION expires January 1, 2007.
8 SECTION 7. An emergency is declared for this act.

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